



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

## FINANCES IN THE BRITISH WEST INDIES.

At present the British West Indies,<sup>1</sup> together with British Guiana, present the most serious problem in colonial finance with which the government of the Empire has to deal. Not even the fiscal difficulties of India are more perplexing or more urgent. The smaller islands have, as a rule, large debts and chronic deficits, while it is impossible—so the Secretary of State for the Colonies asserts—either to cut down their expenditures without abandoning necessary medical and educational services, or to raise their rates of taxation without decreasing their receipts. Either Imperial relief must be afforded or the colonies must be allowed “to fall into anarchy.”<sup>2</sup> Such is the financial difficulty. Underlying it is an industrial difficulty—the decline of West India sugar. As to the causes of that decline there may be dispute, but there is none as to the fact. The Royal Commission on the West Indies, in the comprehensive and able report which they submitted in October, 1897,<sup>3</sup> summed up their conclusions to the effect that “There is, at present, no prospect of any considerable and permanent rise in the price of sugar in the ordinary course of events. The cost of producing sugar . . . could in many places be reduced, but the prospect of profit is not such as to induce capitalists generally to supply the necessary funds. . . . Wages and salaries have already been re-

<sup>1</sup> That is the Bahamas, Jamaica with its dependencies, the Leeward Islands (Virgin Islands, St. Kitts, Nevis, Anguilla, Antigua, Montserrat and Dominica), Barbados, the Windward Islands (St. Lucia, St. Vincent and Grenada) and Trinidad with Tobago.

<sup>2</sup> Rt. Hon. Joseph Chamberlain in Committee of Supply, 14 March and 2 August, 1898, 3 Hansard, 54:1538-1547; 63:871-899.

<sup>3</sup> “Report of the West India Royal Commission.” London: Stationery Office, 1897. (C. 8655). The commissioners were Sir Henry Norman, Sir David Barbour, and Sir Edward Grey.

duced, and no further economy can be expected in respect of them. . . . Under present conditions therefore the prospect of the sugar industry is the gradual abandonment of the weaker estates, a process which has already begun. . . . There is every reason to believe that a very serious condition of things is rapidly approaching in Your Majesty's West Indian possessions, and that the crisis will be reached in a very few years."<sup>1</sup>

The Commission therefore recommended measures designed to develop other lines of agriculture in the islands, especially fruit raising. To this end they advocated, first of all, the settlement of the laboring population as peasant proprietors. They proposed, further, the establishment, at the expense of the Imperial Exchequer, of a Department of Economic Botany in the Windward and Leeward Islands. They likewise recommended an imperial subsidy for fruit steamers to New York, and perhaps to England, and the establishment of cheap and frequent interinsular communication. Finally, they argued for economical administration and strict limitations upon the borrowing powers of the colonies. But they were unable to approve the suggested consolidation of the governments of the West Indies as a whole. The recommendations of the Commission were approved by the home government,<sup>2</sup> and moneys looking to their execution were accordingly supplied by the House of Commons on 14 March and 2 August, 1898.<sup>3</sup>

The policy of imperial grants in aid of local revenues in the West Indies thus inaugurated<sup>4</sup> introduces a mo-

<sup>1</sup> Report, pp. 16-17.

<sup>2</sup> Rt. Hon. Joseph Chamberlain, Secretary of State for the Colonies in 4th Hansard, 63:879, 898, 2 August, 1898.

<sup>3</sup> 4th Hansard, 54:1538-1584; *do.*, 63:871-974.

<sup>4</sup> Grants in aid had been made before, *e.g.*, of £15,000 to Dominica in February, 1896, and to Jamaica in 1846. But they did not become a settled policy until 1898.

mentous innovation in British colonial finance. It is true that assistance has been extended, upon frequent occasions, to protectorates like Basutoland, British Bechuanaland and Uganda, and even to Cyprus. But the general understanding has been that British colonies, when once thoroughly established, should support themselves without such assistance as French and German colonies receive. Such has long been the expectation of the government concerning the West India colonies; and it cannot be asserted that that expectation has been altogether abandoned even now. On the contrary, Mr. Chamberlain says, "we hope that they may in the future be self-supporting." But he adds that "at present it is absolutely impossible for them to do anything beyond" what they are already accomplishing,<sup>1</sup> and he is careful to warn the Commons that "unless circumstances materially alter we shall have to come to the House—any Government will have to come to the House—again and again for some time to come for further grants."<sup>2</sup>

It is an obvious corollary of such continued grants in aid that henceforward the Imperial Government should exercise in the colonies aided "a regular control over their taxation and expenditure,"<sup>3</sup> just as it was a corollary of their previous fiscal self-sufficiency that the colonies should decide for themselves how and for what they would pay. But the new system has been too short a time in operation to make it clear, as yet, just how the increased budgetary control of the Colonial Office is to be exercised. In Trinidad and the Windward Islands, to be sure, the matter is simple. There

<sup>1</sup> 4th Hansard, 63:883, 2 August, 1898.

<sup>2</sup> *Ibid.*, 872.

<sup>3</sup> Mr. Sidney C. Buxton, 4th Hansard, 54:1554, 14 March, 1898.

appropriations and ways and means are both determined by the Governor and his appointed council, and no political complications are involved. But the other West India colonies have "representative institutions" to which they are attached—in the case of Barbados the assembly dates from Charles I—and they will be loth to give up that control of the public purse to which they are accustomed. Their unwillingness is well illustrated by a recent incident in Jamaica. The present Legislative Council of that island dates only from 1884, but throughout fourteen years of its brief existence the elected members were left in a majority by the Governor's deliberate neglect to appoint the full authorized number of nominated members. Early in 1899 the Council as thus constituted refused, by the unanimous vote of the elected members present, to pass certain estimates. The Governor thereupon declared their passage to be "of paramount importance to the public interest" and accordingly nominated to the four places theretofore unfilled four men who would give him a majority in the Council. His action awakened a storm of protest throughout the island, but it was approved by the Colonial Office<sup>1</sup> and led to a compromise whereby the elected members agreed to the desired legislation upon condition that the Governor withdraw his appointments. The four nominees thereupon resigned, leaving the elected members once more in a majority. It seems pretty clear that some machinery involving less friction must be devised if the Imperial Government is to exercise a regular control over the taxation and expenditure

<sup>1</sup> "Correspondence relating to the public finance and resources of Jamaica, February, 1899." London, 1899, 24 pp. (C. 9177.)  
"Further correspondence relating to finances and government of Jamaica, July, 1899." London, 1899. 31 pp. (C. 9413.).

of these colonies that have been accustomed to manage—and to mismanage—their own finances.

It may be that when such machinery is devised some degree of uniformity will be introduced into the financial systems of the several colonies. But as yet those local solutions—adequate or inadequate—of the problems of revenue and of expenditure, which were reached by each colony for itself, have been but little modified by Imperial intervention. If, therefore, there is found throughout the West India colonies a certain general type of taxation, that type prevails not because it has been forced upon the colonies by London, but because it is the logical outcome of their situation, their population, and their industrial character.

As to situation, the colonies are either small islands or coast land; their traffic is almost altogether sea-borne, and of local origin or destination. There is no transit-trade worth mentioning. These facts in themselves suggests the appropriateness of taxing their imports and exports. Further all of them except the northern Bahamas lie within the tropics and are devoted almost exclusively to agriculture. With the exception of gold in British Guiana and asphalt in Trinidad, none of them has any mines worth mentioning. There are no fisheries of importance except the "sponge fisheries" of the Bahamas, and no manufactures except that of the ubiquitous rum. Among their agricultural crops the sugar cane occupies the first place, over half the aggregate exports from the islands (if we exclude Jamaica, over three-fourths from the rest) consisting even now of sugar, molasses and rum.<sup>1</sup> Upon the export of these articles, of fruits and of a little coffee the British West Indies are chiefly dependent for their supply of such imported necessities as

<sup>1</sup> "Report of the W. I. Royal Commission," p. 3.

textiles, clothing, flour, fish, tools and machinery. In the present depression of the sugar industry in the islands it is obvious that their sugar can no longer sustain the handicap of an export duty.<sup>1</sup> The alternative of import duties on what the sugar buys has accordingly been adopted by all the colonies.

The agricultural population of these colonies consists mostly of blacks and colored persons. The climate and soil and their standard of living are such that they seldom find themselves in pressing want of food beyond what a small "provision ground" spontaneously supplies, or of shelter beyond what a very simple hut will afford. Even their clothing is inexpensive, and as they generally exhibit considerable improvidence they do not long retain such small amounts of money as they have occasion to handle. It is, therefore, only with extreme difficulty that direct taxes can be collected from them. For example, in the year 1897-98 there were issued in Jamaica no less than 32,951 warrants for the seizure and sale of property in satisfaction of defaulted taxes, though the total receipts from the direct tax on houses and lands were only £82,183,<sup>2</sup> out of aggregate public revenues of £681,043. Under such circumstances it is not surprising to find that the customs duties are supplemented almost exclusively by indirect forms of taxation such as rum excise, business licenses, and stamps.

A nearer view of the fiscal system of these colonies is

<sup>1</sup> Dominica still has an export duty, and British Guiana has a royalty on gold, most of which is exported. In 1896 British Honduras experimented with an export duty on logwood, but soon gave it up.

<sup>2</sup> "Report on the finances of Jamaica," by Sir David Barbour, July, 1899. London, 1899, VII, 44 pp. (C. 9412.) §§ 30, 73, 75. It should be added that only 227 of the warrants led to actual sales, their issue apparently serving as a way of dunning delinquent taxpayers.

best based, perhaps, upon a somewhat detailed account of one of them. For that purpose, I have chosen Jamaica, the largest and richest of them all, and the colony possessing the most varied agriculture. It is in consequence less dependent upon sugar than the other islands, or British Guiana, and has suffered less by the fall in that commodity ensuing upon the increase of the beet sugar bounties in 1896. After describing the finances of Jamaica, I shall add a few words comparing the other colonies with it, and pointing out the reasons why they make an even stronger claim for Imperial relief.

The colony of Jamaica, exclusive of its "dependencies,"<sup>1</sup> contained, at the census of 1891, 639,491 inhabitants upon an area of 4,207 square miles. It is thus somewhat smaller than Connecticut, by which it is slightly exceeded in population, and a trifle larger than Porto Rico, which has nearly fifty per cent. more people. Jamaica is by much the most important of the British West Indies, exceeding in area all the British islands lying to the south of it, and almost equalling them all in population. Less than fifteen thousand of the inhabitants are whites. After the disturbances of 1865, Jamaica was brought under crown government and many reforms were effected. Schools were established, the judiciary reorganized, and those medical and sanitary services were devised to which the island owes its present exceptionally low death rate among the West Indies. After 1884, when the Legislative Council was given control of the finances, improvements were carried on with a lavish hand. In March, 1889, there were 790 miles of main roads under the Department of Public Works. In De-

<sup>1</sup> Viz. : the Turks, Caicos and Cayman Islands, the Morant and Pedro Cays. None of these lies adjacent to the Jamaican coast. They have together less than 10,000 inhabitants and are financially independent of Jamaica.



cember, 1897, there were 1879 miles. Meanwhile the parochial roads had been extended from 2300 to over 4000 miles.<sup>1</sup> Governor and Council seem to have shared the delusion that there was no bottom to the public pocket. Hotels were subsidized by a guarantee of 3 per cent. on their cost, which aggregated £48,000. In 1889 a contract was made virtually guaranteeing three and one-half per cent. on a million and a half sterling of bonds of the Jamaica Railway Co. issued to pay for unprofitable extensions. In addition £700,000 was borrowed for unproductive public works.

For a time the revenues almost kept pace with the expenditures. The fruit trade, in particular, was expanding, and exports increased from £1,280,000 in 1885-6 to £1,983,000 in 1893-4. Such prosperity caused large imports, and customs grew from £247,745 to £320,976, excise from £80,455 to £127,479, total receipts from £557,309 to £746,068.<sup>2</sup> In 1894 the reaction set in. Trade languished and revenues fell off. Customs declined to £282,751 in 1897-98, excise to £104,961, total receipts to £628,481. Expenditures exceeded revenues by £186,182. The Railway Company failed to earn its interest, and in 1890-1900 the colony will have to add to its expenditures almost £40,000 on account of its guarantee.<sup>3</sup> Under such circumstances it was natural that differences of opinion should rise both as to the proper line of retrenchment and as to the best means of increasing the revenue. The Legislative

<sup>1</sup> Report of Jamaica, 1896-97, pp. 48, 50.

<sup>2</sup> This latter sum amounted to about \$5.66 per capita, a rate of taxation which a country like Jamaica cannot sustain indefinitely.

<sup>3</sup> Barbour's Report, § 13. 12 April, 1900, the Supreme Court of Jamaica ordered the winding up of the Railway Company, vesting the same in the government. The first mortgage bondholders will receive Jamaica inscribed stock bearing 3½% interest.—*Journal of Commerce*, 14 April, 1900.

Council demanded an immediate revision of the civil list. The new governor, supported by the Colonial Office, stood upon the "vested rights" of present officials, and the deadlock was resolved only by the unusual means of filling the Council with nominees as already described (p. 171.) Thereupon Sir David Barbour, a member of the West Indies Commission of the preceding year, was sent out to report upon the finances of the colony, and it is largely upon his report that the following account of them is based.

The finances of Jamaica are in charge of a Collector General of Customs, Excise and Inland Revenue, assisted by his staff and by a collector of taxes and various assistant collectors in each parish. The parish collector of taxes is also parochial treasurer, and parish expenditures are met directly from the parish treasury, wherever local revenues suffice. But through the operation of the auditor's office all such receipts and expenditures find their way into the colonial accounts. It would, therefore, be easy to get a comprehensive view of the expenditures, were it not for certain peculiarities in the method of stating the accounts. At present receipts from certain taxes are paid into a general fund, out of which most expenditures are made. But there are other taxes whose yield is specifically appropriated to designated purposes. Accordingly the financial accounts state the revenues in two sections, "general" and "appropriated." This distinction is carried over into the statement of expenditures and there gives rise to some confusion. All the expenditures out of the general fund are entered by the purpose that they serve or the branch of administration through which they are made, as for example "main roads." But other payments are lumped together as "expenditure from appro-

appropriated revenue," even though part of this, as in the case of roads, is additional expenditure for purposes already enumerated under the general fund. It therefore becomes necessary, if we would have a clear view of the total expenditures, to resort to the laws appropriating certain taxes to specific purposes, and further to the figures of receipts to learn what these taxes respectively yield.<sup>1</sup>

With this explanation and caution I offer the following table showing in thousands of pounds the expenditures of the colony for 1897-98, with the percentage of total expenditure assigned to each post.

Items of Expenditure.	Thousand Pounds.	Per Cent.
Governor, staff and privy council .....	7.5	0.9
Legislative council .....	1.9	0.2
Colonial secretariat .....	5.7	0.7
Director of public works .....	17.1	2.1
Treasury, audit and savings bank .....	11.7	1.4
Revenue debts and stamp office .....	39.4	4.8
Judicial .....	45.8	5.5
Ecclesiastical .....	2.6	0.3
Medical .....	61.0	7.4
Post and Telegraph .....	34.9	4.3
Police .....	62.4	7.6
Prisons .....	27.2	3.3
Schools .....	69.4	8.5
Harbors .....	2.3	0.3
Colonial allowance and military .....	10.4	13.7
Miscellaneous .....	30.7	3.7
Steamship subsidies .....	1.7	0.2
Stationery and printing .....	7.8	0.9
Library and museum .....	7.0	0.2
Plantations and gardens .....	6.3	0.8

<sup>1</sup> Even when this is done there remain minor uncertainties and discrepancies, in part due, apparently, to the incompleteness of the published accounts and in part to the fact that sometimes more and sometimes less than the whole yield of an appropriated tax in any year is spent within the year in question. It may be inferred that the balances in the special funds must vary from time to time, but I have not been able to get figures of those balances.

Main roads and buildings .....	45.3	5.4
Civil pensions .....	21.6	2.6
Debt service .....	112.6	13.7
Total general .....	627.4	77.1
Expenditures from appropriated revenue .....	156.4	19.1
[This includes :		
Poor relief .....	38.7	
Main roads .....	27.0	
Parochial roads .....	35.8	
Sanitary .....	7.6	
Fire (Kingston) .....	1.5	
Gas (Kingston) .....	3.3	
Parochial, general purposes .....	4.5	
Expenditures from proceeds of loans .....	30.8	3.8
Total expenditures .....	£814.644	100.0

In the first seven cases the amounts are chiefly for salaries. The medical expenditure includes the maintenance of eighteen public hospitals in various parts of the island and the salaries of forty-five district medical officers, who are really physicians paid to live in localities where practice alone would not support them. In addition to the general expenditure for main roads and the appropriated taxes assigned to roads, an unascertainable portion of the spirit licenses, which amounted in all to over £12,700 in 1897-98, was also spent on the roads.

The sources of Jamaica's revenue for 1897-98 are revealed by the following table, which gives amounts in thousands of pounds and indicates the percentual importance of each sort of revenue.

Sources of Revenue.	Thousand Pounds.	Per Cent.
Customs .....	282.8	45.4
Excise .....	105.0	16.6
Stamps .....	18.0	2.8
Fees and fines .....	11.0	1.8
Tax in lieu of school fees .....	9.7	1.5
Post and telegraph .....	27.2	4.3
Savings bank .....	4.8	0.8
Miscellaneous .....	29.4	4.7
Total general revenue .....	487.9	77.9

Poor rate.....	38.7	6.2
Sanitary rate .....	7.6	1.2
Fire and gas rates.....	4.8	0.7
General parochial rate .....	4.5	0.6
Trade licenses and market dues.....	12.8	2.0
Main road revenues.....	27.0	4.3
Parochial roads. (These include the proceeds of the acreage and holdings taxes, the spirit licenses and the horse and vehicle tax) .....	35.9	5.7
Miscellaneous .....	9.2	1.4
Total appropriated revenue.....	140.5	22.1
General revenue.....	487.9	77.9
Total revenue .....	628.5	100.0
Loans issued .....	214.8	
Total receipts.....	843.3	

The customs duties are thus seen to be the mainstay of Jamaican finance. The tariff consists of specific duties upon certain goods and a general ad valorem rate upon all other imports except those enumerated in the free list. The general rate in 1897-98 was twelve and a half per cent. In the tariff for 1899-1900, passed in April, 1899, it was raised to sixteen and two-thirds per cent. and at the same time a number of articles were stricken from the free list.<sup>1</sup> The more important specific duties are high, e. g., \$1.92 per barrel on flour, \$1.00 per cwt. on bread and crackers, \$4.00 per cwt. on hams and bacon, sausages and butter. Sir David Barbour estimates that in 1897-98 the duties were equivalent to 19.8 per cent. on salt fish, 22 per cent. on bread, biscuits and salted beef, 34 per cent. on rice and 36 per cent. on wheat flour.<sup>2</sup> He also prints,<sup>3</sup> with apparent

<sup>1</sup> See Barbour's Report, § 71.

<sup>2</sup> Value of imports, 1896-97, in thousands of pounds :

Cottons .....	249	Alcoholic liquors.....	67
Wheat flour .....	155	Boots and shoes.....	57
Dried and salted fish .....	121	Wood and lumber.....	56
Apparel and slops.....	68	No other import over.....	50

Total imports.....1661

<sup>3</sup> Report, appendix F.

approval, a table of cost prices and of specific duties per cwt. actually paid upon "fourteen articles, food-stuffs and necessities of life, which the people in Jamaica can only get at a fair living price from the United States." The average rate of duty is therein shown to be fifty-four per cent. If we leave out of account matches and kerosene, which occupy an anomalous position, the rate for the rest is thirty-two and a half per cent., which is probably a more typical average. Put in another way, duties of £282,751 were collected in 1897-98 upon total imports valued at £1,674,380 or an average of about 17 per cent. upon all imports, including those on the free list. As most of Jamaica's imports are the necessities of her agricultural population it is obvious that these duties, in so far as they tend to raise the cost of living beyond that prevalent in the islands with lower tariffs, handicap her in competition with her neighbors.

Next in importance to the import duties is the excise, consisting chiefly of the rum duty. By law 10 of 1875, as amended by law 8 of 1890, it is a tax of six pence per gallon upon all rum or other spirits distilled in the island and sold for consumption. The rum tax is very sensitive, falling off rapidly with a decline of general prosperity. The excise includes also a cigar and cigarette tax which produced £4,500 in 1897-98. But this is so hard to collect and is thought to interfere so seriously with a growing industry, that Sir David Barbour favored its abandonment.

The stamp taxes, which are numerous, follow the general lines of the English stamp duties, taxing commercial paper, deeds, leases, mortgages, customs warrants, bills of lading, probate of wills, and all sorts of insurance policies. A complete list of the rates is given in the "Jamaica Handbook."

There is no general property tax in Jamaica, but no less than seven taxes or "rates" are levied upon various forms of real property. First there is a quit rent of one penny per acre upon patented land. The yield in 1897-98 was £7,349. Second, there is an acreage tax upon agricultural land, differing with the sort of agriculture pursued. The rate is three pence per acre on all land under cane, coffee, ginger, cotton, tobacco, cocoa, vegetables, bananas, coconuts or ground provisions, three half-pence upon guinea grass, three farthings upon common pasture or pimento (the tree that bears the commercial "allspice"), and one farthing on wood or "ruinate" (land exhausted by ginger culture). This tax is obviously unfair, and is said to be much evaded. It produced in 1897-98 but £5,404. Third, there is a holdings tax (law 17 of 1890 and law 11 of 1891) as follows:

Holdings less than 5 acres	2s	200 to 500 acres	20s
Holdings of 5 to 10 "	3s 4d	500 to 800 "	30s
" 10 to 20 "	4s 8d	800 to 1000 "	36s 8d
" 20 to 50 "	5s 4d	1000 to 1500 "	53s 4d
" 50 to 100 "	6s 8d	over 1500 "	60s
" 100 to 200 "	10s		

A plot of less than one quarter of an acre is exempt if there is a house upon it. If one person has various holdings within the same parish aggregating not more than five acres they are treated as one holding. In some cases the tax works great inequalities. Sir David Barbour found one land owner who paid but 60s. in respect of 3900 acres, while sixty of his tenants holding from one-half to one acre each and occupying scarcely one per cent. of his land paid twice as much as he. The total yield of the holdings tax in 1897-98 was £11,309. Fourth, there are a number of house taxes. These are called by different names and are appropriated to differ-

ent purposes, but they are all levied upon the same principle. For purposes of assessment houses are divided into three classes: (*a*) houses of the annual value of four pounds and upwards; (*b*) huts in provision grounds, used as a temporary shelter, the owner having another residence in respect of which he pays rates; (*c*) other houses. Houses of class *a* are taxed at an amount determined by reference to their annual value. Classes *b* and *c* are taxed a specific sum. In practice this division of the houses into classes is purely arbitrary, for it is quite impossible to ascertain the annual value of a house in the country where no houses are ever rented. Upon the three classes of houses as thus determined there are levied four general taxes, in addition to the municipal water, fire and gas rates of Kingston. These general taxes are: the poor rate, the sanitary rate, the rate for general parochial purposes, and the school rate. The first three vary from parish to parish. In 1897-98 the lowest tax upon the poorest house was six shillings in Manchester parish, the highest upon such a house was ten shillings in St. James.<sup>1</sup> Upon better houses the poor rate, the sanitary rate, and the general parochial rate are so much in the pound, the education rate is three shillings on an annual value of £4, four shillings on £6-12, and six shillings on all houses whose annual value exceeds £12.<sup>2</sup> This complex of rates is in practice very high upon the poorest huts, and leads to overcrowding and to moral and sanitary evils. Sir Augustus Hemming, the present Governor of Jamaica, declares the poor rate unequal and unsatisfactory in its incidence and in many instances oppressive. In 1897-98 these four general rates on houses yielded over £60,000.

<sup>1</sup> Barbour's Report, § 28-29.

<sup>2</sup> *Ibid.*, § 74.



Business licenses also constitute a productive form of taxation. Some of the more important rates, in the last year for which data are at hand, were as follows :

Wholesale dealers in spirits in Kingston.....	£10
Wholesale dealers in spirits elsewhere.....	5
Retail dealers in spirits in Kingston .....	25
Retail dealers in spirits in 27 other towns.....	20
Retail dealers in spirits elsewhere.....	10
Each still .....	5
Sellers of gunpowder and firearms .....	5 10s
Dealers in metals.....	5
Buyers of agricultural produce.....	2
Merchants .....	12 10s
Storekeepers .....	7 10s
Retail storekeepers.....	10s to £5

The receipts from such licenses were £12,789 in 1897-98. There are also "general internal taxes" on horses, varying from 7s. to 11s., on asses at 3s. 6d., and on vehicles at from six shillings to one pound per wheel, with a surtax in Kingston for repairing the city streets. The proceeds of the licenses and of the horse and vehicle tax are appropriated to the roads, and furnish between them over £50,000 of the £62,000 of "expenditures from appropriated revenue" made upon the roads in 1897-98.

The remaining British West Indies are geographically divisible into a group lying north of Jamaica, in which no sugar has ever been raised, and one lying south of Jamaica, in which, as in British Guiana, sugar raising is, or has been, the exclusive industry.

The area of the 600 islands to the north, the Bahamas, exceeds that of Jamaica, but they are inhabited by less than fifty thousand people. Their chief source of revenue is their tariff. Specific duties are levied on flour and food stuffs, liquors and oils, ad valorem duties on hardware and textile fabrics and on boots and shoes,

and there is a general ad valorem rate upon unenumerated commodities which was raised in 1895 from twenty to twenty-five per cent.<sup>1</sup> The colony owns the cable from Nassua to Florida, whose gross receipts in 1896 were £1,068, and it pays £1,200 to subsidize a steamship line to Palm Beach. The islands have always been poor and probably always will be.

The islands to the south of Jamaica, on the other hand, once enjoyed a prosperity of which their present dense population is the chief surviving witness. They differ from Jamaica in two important respects. First, they have a far less diversified agriculture. Montserrat grows many limes, and shares with St. Vincent in the arrowroot crop. But the market for both products is extremely limited and is said to be oversupplied. The other islands have made little or no attempt to introduce the cultivation of fruits of any kind. The reason may be their great distance from American markets, or it may be the technical ignorance and the indolence of their black population, or it may be that their soil and climate are suited, as Barbados is said to be, to the raising of nothing but cane. Other reasons also are assigned, including the difficulties which negro peasants encounter in getting ownership of land. But whatever the cause, the fact is that the southern islands, except Montserrat and Trinidad, are dependent almost absolutely upon their output of sugar. Products of the cane make 94 per cent. of the exports of Antigua (and, if we exclude gold, as large a part of the exports of British Guiana), 96 per cent. of the exports of St. Kitts, 97 per cent. of the exports of Barbados, and less than 23 per cent. of the exports of Jamaica.<sup>2</sup>

<sup>1</sup> Annual Report, 1896. (C. 8279-17.)

<sup>2</sup> Report W. I. Com., p. 3.

In the second place the southern islands differ from Jamaica in that their arable surface is chiefly held in large estates and often by absentee owners. In Dominica, St. Vincent and Barbados, estates are often unused and some are cultivated at a loss merely to give employment to the swarming negroes. But everywhere there is a strong indisposition to sell in small holdings on reasonable terms, or, in many cases, to a negro on any terms. Meanwhile the practice of "squatting" on abandoned estates, by which Jamaica has gradually acquired a peasantry whose fruit crops and ground provisions keep up relative prosperity in that colony, is vigorously suppressed in the southern islands, and the negro is thus prevented from supporting himself directly upon the soil whose cane product is ceasing to be his indirect support.

On account of the above-mentioned differences, the southern islands, whose revenue system is in general similar to Jamaica's, but with less direct taxes, have shown even less fiscal elasticity or recuperative power, and the treasuries of some of them were admittedly on the verge of bankruptcy when imperial relief was extended. The following table presents the salient features of their financial situation. It will be seen that, considering the poverty of the people, the taxes are very high. The amount collected in Trinidad is £575,000, as much as is collected by the State of Connecticut—which, to be sure, performs only part of the functions discharged by the government of Trinidad, but performs them for a population thrice as numerous and incomparably richer. It will be seen, too, that customs duties are the chief fiscal reliance of the colonies, and experience shows that, in some cases at least, these have reached their limit of elasticity. Thus in St. Vincent, for example, the rates were largely raised in 1895 and

	Area, Square Miles.	Population in 1891 in Thousands.		Revenues, 1897 (or 1898), in Thousands of Pounds.					Imports.		Expendi- tures.	Debt.
				Total.	Shillings and Pence per Capita.	Cus- toms.	Per cent.	Excise.	Licenses.	Total Value	Percent. of Customs upon.	
Bahamas-----	5,450	47.6	11.0	63	20 7½	53	84	?	?	186	29	119
Jamaica-----	4,492	639.5	14.7	687	20 1¼	284	41	105	13	1694	17	1994
Leeward Islands---	701	127.7	5.1	132	20 2⅔	64	45	?	?	426	15	336
Windward Islands--	508	143.8	?	142	19 8⅔	67	47	?	?	480	14	339
Barbados-----	166	182.3	?	185	20 2	107	55	27	6	1009	10	409
Trinidad-----	1,868	218.4	?	575	52 9	447	78	?	?	2173	21	526
British Guiana-----	109,000	278.3	2.5	505	36 4	295	59	50	109*	1341	23	949

\* Including the royalty on gold mining.

further increased by 10 per cent. in 1896, the result being that the customs revenue decreased.<sup>1</sup> In other words, the limit of achievable revenue had been reached and meanwhile debts were piling up.<sup>2</sup>

The measures of assistance so far undertaken by the Imperial Parliament look toward two ends. The first contemplates immediate relief of the colonial treasuries, the second aims at putting the colonies in a position to meet a larger portion, eventually the whole, of their expenditures from their own revenues. By way of direct relief there was voted, in 1898, the sum of £90,000 to pay deficits. The colonies which chiefly profited by this measure are Tobago, St. Vincent, St. Lucia, Antigua, St. Kitts, Montserrat and the Virgin Islands.<sup>3</sup>

The contemplated expenditures for building up the colonies take the direction of appropriations for roads, for establishing peasant proprietorship, for agricultural experiment stations, and for steamship subsidies; and of guarantees on the cost of central sugar factories erected by private capital. For roads in Dominica and peasant settlements in St. Vincent £80,000 were granted 2 August, 1898; for agricultural experiment stations, £4,500, with the understanding that this would grow to an annual charge of £17,500; for steamship subsidies—intercolonial, to New York, and to London—the sum of £5,000 per year, with the understanding that this charge might expand to £20,000 yearly.<sup>4</sup> As for

<sup>1</sup> Chamberlain, 4 Hansard, 54:1544.

<sup>2</sup> Cf. the vigorous expressions of Sir E. Grey in 4 Hansard, 63:919, 2 August, 1898.

<sup>3</sup> These absorbed £80,950 of the sum. 4 Hansard, 63:872, 2 Aug., 1898.

<sup>4</sup> 19 April, 1900, a ten-year contract was made by the colonial office with Elder, Dempster & Co., calling for a direct fruit line to England. The subsidy is £40,000 per year, half paid by Great Britain and half by Jamaica.—*Journal of Commerce*, 2 May, 1900.

sugar factories the Commission had recommended a grant of £120,000 for their erection in Barbados, but the Colonial Office arranged instead for a ten-year's guarantee of 3 per cent. interest on £750,000 to be spent in erecting central factories in St. Kitts and Antigua as well as Barbados, and the House of Commons approved this arrangement.

The Colonial Loans Act of 1899 (62 and 63 Vict., ch. 36) authorized Imperial advances to various colonies for a period not exceeding fifty years and at interest of not less than  $2\frac{3}{4}$  per cent. The total amount authorized exceeded three million pounds. In this the West Indies might share as follows: Barbados and St. Vincent for hurricane loans to planters, £50,000 each; Trinidad, for railways and public works, £110,000; Jamaica, for public works, £63,000, for completion and equipment of railway, £110,000, for interest on railway debentures, £88,000, for waterworks, £40,000, in aid of revenue, £40,000.<sup>1</sup> Up to 26 February, 1900, arrangements had been made to loan £348,000 to Jamaica, and most of their allotment to Barbados and St. Vincent.<sup>2</sup>

Obviously the end is not yet reached. It is even too early to conjecture what the end may be. But one thing is clear: the policy of fiscal independence in the West Indies has broken down.

CHARLES H. HULL.

<sup>1</sup> See the debates in 4 Hansard, 75: 518-579, 858-878, 1062-1065, 1152-1199.

<sup>2</sup> 4 Hansard, 79: 1091.